

MISSOURI: Leveling the Playing Field

To make sure we continue to grow our economy, we will insist on a level playing field when it comes to trade. We want Missouri farmers selling Missouri crops all over the world.

*-- President George W. Bush
Springfield, Missouri*

Trade Plays a Significant Role in Missouri's Economy: People from all over the world are buying Missouri products, which helps fuel Missouri's economy and create jobs. And free and fair trade has led foreign companies to invest in Missouri and hire Missouri workers.

- ✓ Missouri exported \$7.2 billion in goods to 188 foreign markets in 2003.
- ✓ Missouri is the nation's 15th largest agricultural exporting state; top exports include soybeans, feed grains, wheat, and cotton.
- ✓ Missouri's top goods exports include autos, chemicals, auto parts, and semiconductors.
- ✓ 4,943 companies in Missouri exported goods in 2001. Of those, 81% were small and medium sized businesses.
- ✓ More than one-sixth of all manufacturing workers in Missouri depend on exports for their jobs, and U.S. jobs supported by goods exports have been estimated to pay wages 13% to 18% higher than the U.S. national average.
- ✓ There are over 700 foreign businesses employing 96,700 workers in Missouri, 50% of whom are in manufacturing jobs.

Missouri Benefits as President Bush Levels the Playing Field: The Bush Administration has worked aggressively to level the playing field for Missouri's manufacturers, farmers, ranchers, and workers by opening new markets, removing barriers that hurt Missouri's exporters, enforcing our trade laws and combating unfair trade practices, and promoting Missouri's exports.

- **Opening Markets for Missouri:** Missouri businesses and workers benefit from the Bush Administration's free trade policy which is:
 - **Opening the Chinese market for Missouri's soybean and cotton farmers.** After two years of working together, China issued final safety certificates for biotech soybeans, cotton, corn, and canola assuring that China's quick-growing multi-billion dollar market for these U.S. agricultural products will remain open to Missouri and other U.S. farmers.
 - ◆ Missouri is the 6th largest U.S. exporter of soybeans, and soybeans are the state's top agricultural export.
 - ◆ China is the largest export market for both U.S. soybeans and cotton and one of Missouri's top export markets.
 - ◆ U.S. exports of soybeans to China reached an all-time high in 2003 of \$2.9 billion.
 - ◆ Cotton exports to China have increased 3100% over the last four years, and during the first seven months of 2004, the U.S. exported a record

\$1.3 billion in cotton to China - a 283% increase over same time period last year.

- **Opening the Chinese market for Missouri's automakers.** Following high-level discussions with the U.S., China significantly increased the number of vehicles Missouri automakers can sell to China and committed to lower its tariffs on autos by up to 75% and on auto parts significantly. Missouri exported \$1.7 billion in motor vehicles to the world in 2003 and \$282.7 million in motor vehicle parts in 2003.

➤ **Removing Barriers that Hurt Missouri's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters are producing real results for Missouri's manufacturers and workers by:

- **Securing duty-free exports for Missouri's leading transportation industry.** Missouri's manufacturers will enjoy immediate, duty-free treatment for all exports of autos and auto parts, and aircraft and aircraft parts sold to Australia, Morocco, Chile, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Missouri's top export category is transportation equipment, most of which are motor vehicles, with exports valued at \$2.2 billion in 2003.
- **Gaining duty-free exports for Missouri's chemical manufacturers** for machinery sold to Australia, Morocco, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Chemical goods are Missouri's second largest export category, with sales of nearly \$1.5 billion abroad last year.
- **Securing duty-free exports for Missouri's industrial machinery manufacturers** for machinery sold to Australia, Morocco, Chile, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Nearly 10% of Missouri's exports of machinery goods go to countries with which this Administration has completed or is negotiating free trade deals.
- **Negotiating duty-free exports for Missouri's information technology industry** for computer and electronic products sold to Australia, Morocco, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Nearly 16% of Missouri's exports of computer and electronic products are exported to countries with which this Administration has completed or is negotiating free trade deals, including those listed above.
- **Reducing trade barriers for information technology exports.** Following intensive discussions with the U.S., Chinese officials eased burdensome import requirements on information technology products, affording Missouri companies greater access to tariff reductions and eliminations to improve the market for Missouri goods.
- **Ensuring access to the European Union for Missouri's feed grain producers.** This Administration prevented the European Union (EU) from imposing a very restrictive regime that would have hindered U.S. feed grain exports to that market. Missouri is the nation's 9th largest exporter of feed

grains and products, with exports valued at \$217.4 million. Feed grains are the state's second largest agricultural export.

- **Securing access to the European market for Missouri wheat:** The Administration negotiated an agreement with the EU that secured access to the EU market for U.S. wheat. Missouri is the nation's 12th largest exporter of wheat and wheat products, with sales of \$143 million.

➤ **Enforcing Trade Laws and Combating Unfair Trade Practices:** The Bush Administration's enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for Missouri, including:

- **Ensuring fair access to China for Missouri's semiconductors.** The United States brought the first-ever WTO case against China to ensure fair tax treatment for U.S. semiconductors in China, the world's fastest growing semiconductor market. Within four months, the Chinese agreed to our demands, ensuring U.S. exporters fair access to an export market worth over \$2 billion market to America's manufacturers and workers.
- **Ensuring fair access to China for Missouri's farmers and ranchers.** As a result of Administration efforts, China has taken steps to correct its administration of its tariff-rate quota system and relaxed market constraints in soybean and cotton trade, enabling U.S. exporters to achieve record prices and sales.
- **Ensuring fair access to Europe for Missouri's farming and biotech industries.** After the Administration brought a WTO case to end the EU ban on the importation of new agriculture biotech products, the EU approved a biotech corn product. The Administration is continuing to pursue the case to ensure that the EU ban is lifted on all biotech products.

➤ **Promoting Missouri Exports:** The Administration actively works with American businesses to promote exports by leveraging the benefits of our international trade agreements. Some Missouri export successes include:

- **Lubri-Loy in Chesterfield, MO,** recently made sales to China after the Administration provided counseling, market research, and trade leads.
- **True Manufacturing in O'Fallon, MO,** a manufacturer of display refrigeration equipment, recently began exporting to Chile with the assistance of the Administration and is working with the Administration to determine to increase their exports in light of the recent US-Chile Free Trade Agreement that removed duties on their product.
- **RIBUS Inc. in St. Louis, MO,** a rice-based specialty food ingredient producer, contacted the Administration for assistance with an export sale to Canada. The Administration provided guidance and information regarding NAFTA classification and documentation, which allowed RIBUS to export to Canada.